

CHAPTER XIV

FINANCE¹

THE PESO AND THE DOLLAR

SINCE 1903 the currency of the Philippines has been linked with the currency of the United States. This has meant that the Philippines has been on a gold standard when the United States has been on a gold standard. For better or worse the fate of the dollar has been the fate of the peso. The existing monetary system in the Philippines displaced the nondescript coins of fluctuating values which harassed everyone during the early days of American occupation. The system was well planned by Mr. Charles A. Conant and was established with the assistance of Dr. Edwin W. Kemmerer, both experts in public finance.

The unit of value in the Philippines is the Philippine peso, with a value equal to one-half of the American dollar. The circulating medium is mainly silver and paper. The coins in use are the peso, half peso, twenty-centavo piece, and ten-centavo piece, all of silver, five-centavo piece of nickel, and one-centavo piece of copper. The Philippine Mint coins this money for the Islands. Paper money is issued by the Philippine Commonwealth and by the Philippine National Bank and the Bank of the Philippine Islands.

Philippine currency is small in size and of artistic design. The convenience of the paper money of the Philippines is conspicuous when placed side by side with the

bills of other
countries, as for instance with those of bed-
blanket dimensions

¹ The first six sections of this chapter were read by Hon.
Vicente Carmona,
Under Secretary of Finance. See W. Cameron Forbes, *The
Philippines*
(1928), Vol. I, Chap. vi.